

## Prospectus with Articles of Association

*This prospectus has been prepared in accordance with the Norwegian Securities Fund Act and corresponding regulations. The objective of the prospectus is to provide investors with information so that they are able to make an informed assessment of the fund and the risk associated with investing in the fund. The fund's Articles of Association contain additional information and is regarded as an appendix to the prospectus.*

## Verdipapirfondet **Delphi Nordic**

UCITS (equity fund) launch date 1991-03-18

Managed by Storebrand Asset Management AS | Org. No. 930 208 868 | a subsidiary of Storebrand ASA

### Objective and Investment Policy

Delphi Nordic aims to achieve a long-term excess return by investing in Nordic equities. The fund is actively managed using the Delphi method, which combines traditional fundamental analysis with trend analysis. The portfolio usually consists of 25-40 large, medium-size and small companies within a minimum of five sectors. The manager looks for stocks that can basically show positive price trends. Thereafter, the company's business, management, market position, products and prospects are thoroughly analysed before any investment is made. The fund may use derivatives to ensure less expensive or more efficient management. The fund is managed in accordance with Storebrand's sustainable investment principles.

The benchmark is VINX Benchmark Cap Net Index. The benchmark index can be used as a reference point to compare the return on the fund. The benchmark can also be a source for the fund's investments, but the composition of the fund may deviate significantly from the benchmark. Dividends and other income will be reinvested in the fund.

### Risk and Reward Profile



The risk / return indicator shows the relationship between risk and return for the fund. A higher ranking on the scale means an opportunity for higher returns, but also a greater risk of losing money. The indicator is based on how the fund's value has changed over the past five years (benchmark index is used for funds with shorter history), and is not a sure indicator of future development. The lowest category, 1, cannot be considered completely risk-free. This fund is placed in risk class 6, but over time the fund can move both right and left on the scale. This is because the indicator is based on historical data, which gives no guarantee of future risk / return.

The value of the Fund's investments is affected, positively and negatively, by the daily developments in the markets in which the securities are traded (market risk). The indicator does not take into account particularly unusual events, such as devaluation, political changes or major unforeseen fluctuations in the securities markets. Several other types of risk can also affect the value of the fund without being fully reflected in the risk / return indicator.

### Active share classes

Share class	Currency	ISIN	Management Fee (p.a.)
A	NOK	NO0010039670	1.5 %
N	NOK	NO0010817448	1.0 %
N2	SEK	NO0010817463	1.0 %

## Sustainability information

Below, investors can find relevant information regarding the sustainability considerations the Fund takes into account. A checked box indicates that the provision applies to the Fund.

### 1.a. Transparency regarding the integration of sustainability risks, the promotion of environmental or social characteristics, and sustainable investment

- The Fund's objective is sustainable investment (article 9)
- Among other things, the Fund promotes environmental or social characteristics (article 8)
- Sustainability risks are taken into consideration in investment decisions, without the Fund promoting environmental or social characteristics or having sustainable investment as its objective
- Sustainability risks are not relevant (explanation below)

#### Manner in which sustainability risks are integrated into investment decisions

The Management Company takes into consideration sustainability risks when taking investment decisions. Sustainability risks are defined as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment and/or returns from that asset. The Management Company identifies such sustainability risks and integrates them into its investment decision making and risk monitoring to the extent that they represent actual or potential material risks and/or opportunities to the long-term risk-adjusted returns of the Fund.

Sustainability risks that may be relevant to the Fund's investments include, but are not limited to:

- Environmental risks: the ability of companies to mitigate and adapt to climate change, the potential for higher carbon prices, exposure to increasing water scarcity, waste management challenges, and impact on global and local ecosystems, including biodiversity.
- Social risks: human rights, rights in war and conflict, employee rights in own business and in supply chains, product security and data and privacy.
- Governance risks: board composition and effectiveness, management incentives, management quality and stakeholder alignment.

For further details on how the Fund deals with sustainability risks, please consult the Management Company's webpage and the Company's Sustainable Investment Policy.

#### Impact of sustainability risks on returns

The impacts of sustainability risk may be numerous and vary depending on the specific risk, asset class and region. The assessment of the likely impact of sustainability risks on the Fund's return will therefore depend on the type of securities held in its portfolio. For both equities and bonds, sustainability risk can affect the price of the security, which can lead to a need to raise new capital or affect the issuer's ability to pay dividends or other capital distributions.

The Fund may be able to avoid or mitigate the sustainability risks mentioned above to some extent through the application of the Management Company's Sustainable Investment Policy.

### 1.b. Sustainability-related characteristics promoted in the management of the Fund, or which are part of the Fund's objective:

- Environmental characteristics (eg companies' impact on the environment and climate)
- Social characteristics (eg human rights, labour rights and equal treatment)
- Good governance practices (eg shareholders' rights, issues of remuneration to senior executives and anti-corruption)
- Other sustainability aspects

The fund promotes sustainability-related properties through active ownership. This is done systematically by influencing the companies in sustainability-related issues, either on their own or in collaboration with other investors. In addition, the fund exercises its ownership rights by virtue of being an investor. Ownership can be exercised directly through voting at general meetings, or more indirectly through work against the board and nomination committee.

The fund also promotes sustainability-related properties by integrating the Storebrand Standard into its management work; a standard that lays down guidelines for product- and norm based exclusions. The exclusion process is systematic and comprehensive, and includes both internal and external data and assessments. The following product-based exclusions are covered by the Storebrand standard: tobacco, cannabis, coal, oil sands, unsustainable palm oil production and controversial

weapons. Norm based exclusions include: serious climate and environmental damage, lobbying against the Paris Agreement, corruption and violations of international law and human rights.

The management company monitors companies in the fund to identify potential companies for active ownership, or companies that may be in breach of the Storebrand Standard. Learn more about the Storebrand Standard and our sustainability policy at [www.storebrand.no/en/asset-management](http://www.storebrand.no/en/asset-management).

## 2. Consideration of Adverse Sustainability Impacts

The fund is subject to Storebrand's sustainability policy, which describes how the management company handles and delimits negative sustainability consequences. If the management company suspects a breach of the management company's guidelines, it will obtain more information. For example, if a company is working on improvements that have not yet been implemented, the management company may, under certain circumstances, place the company on the observation list. The management company maintains a close dialogue with the company about their expectations for measures and results. Depending on the outcome, the company will either be completely excluded, and therefore not investable, or removed from the observation list and again available for investment. Further details about exclusions and active ownership can be obtained at [www.storebrand.no/en/asset-management](http://www.storebrand.no/en/asset-management).

## 3. Benchmarks

The Fund has the following benchmark index comparing ESG achievements

No benchmark index has been chosen for comparing ESG achievements

The Fund is actively managed and uses a benchmark index for asset allocation and performance comparison purposes. However, the Fund does not specifically use a benchmark index in order to achieve its objectives relating to environmental and social characteristics.

## 4. Methods used to integrate sustainability risks, promote environmental or social characteristics or to achieve a sustainability objective:

The Fund includes

The Fund excludes

### Excluded products and services

Under this heading, a Fund that does not take sustainability aspects into account may also indicate which products and services are not included as a result of the Fund's investment policy.

The Fund does not invest in companies that are involved in the following products and services, provided that a maximum of five percent of the turnover in the company where the investment takes place may refer to activities that are attributable to the specified product or service.

Cluster bombs, anti-personnel mines. Zero tolerance.

Chemical and biological weapons. Zero tolerance.

Nuclear weapons. Zero tolerance.

Weapons, munitions and military equipment/military services.

Alcohol.

Tobacco.

Commercial gambling operations.

Pornography.

Fossil fuels (oil, gas, coal).

Coal

Other. The Fund also excludes entities involved in oil sands, unsustainable palm oil, recreational cannabis and companies lobbying against the Paris Agreement. Reports of excluded entities can be found at [www.storebrand.no/en/asset-management](http://www.storebrand.no/en/asset-management).

### International standards

The Fund avoids investing in companies involved in breaches of international standards (as a minimum, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact) on the environment, human rights, working conditions and business ethics.

The Management Company also complies with, among other things: the UN Principles for Responsible Investment – PRI (2006), ILO core conventions, Tobacco-Free Finance Pledge (2018), Net Zero Asset Owner Alliance (2019), Net Zero Asset Manager Alliance, CDP (2015), Montreal Pledge (2015) and TCFD. Further information can be found at: Memberships and Guiding Principles - Storebrand Asset Management.

- The Fund does not invest in entities that violate international standards. This assessment is made either by the Management Company itself or by a subcontractor, if any.
- The Fund does not invest in entities that do not take action to rectify identified problems or where it is the Fund's assessment that the entities will not rectify the problems within the period of time that the Management Company considers reasonable in each individual case.

#### **Countries**

- For sustainability reasons, the Fund does not invest in state owned or state controlled entities involved in certain countries, or (for fixed income securities) issued by certain countries.

#### **The Management Company's engagement**

The Management Company uses its interest in entities to engage in sustainability-related issues. The Management Company is in contact with entities in order to influence them in a more sustainable direction.

- The Fund acts alone to engage with companies
- The Fund acts in collaboration with other investors to engage with entities
- Engaging with entities through external suppliers/consultants
- Voting at shareholders' meetings

The Management Company's specialists in sustainable investment and corporate governance, together with the asset managers, maintain a continuous dialogue and hold meetings on sustainability-related issues with relevant entities, by phone, email, digitally or in person.

In the case of common issues, the Management Company collaborates with other major shareholders through its involvement in, among other things, PRI (United Nations' Principles for Responsible Investment), Investor Alliance for Human Rights, FAIRR, Climate 100+, IIGCC (Institutional Investors Group on Climate Change), Access to Nutrition, Platform for Living Wages Financials (PLWF), etc. in order to achieve greater influence. Further information can be found at: Memberships and Guiding Principles - Storebrand Asset Management.

Impact is not made through external actors, but the management company collects data from various data providers, including Sustainalytics, ISS and Trucost, to support the impact work.

The Management Company generally votes in general shareholders' meetings on behalf of the Fund, in matters deemed to be in the interests of shareholders of the Fund and in matters that are not in line with the Management Company's corporate governance policy.

#### **Disclaimer**

The Technical Screening Criteria ("TSC") for environmentally sustainable economic activities are either not yet in final form (i.e. in respect of the for the first two Taxonomy environmental objectives of climate change mitigation and climate change adaptation) or have not yet been developed (i.e. for the other four Taxonomy environmental objectives). These detailed criteria will require the availability of multiple, specific data points regarding each investment. As at the date hereof, there is insufficient reliable, timely and verifiable data available for the Manager to be able to assess investments using the TSC.

In addition, the Regulatory Technical Standards (RTS) under the Sustainable Finance Disclosure Regulation (SFDR) which define the methodology for the calculation of the share of environmentally sustainable investments and the templates for these disclosures are not yet in force. As at the date hereof, the Manager is not able to provide standardised and comparable disclosures on the proportion of environmentally sustainable investments according to the EU Taxonomy. While there may be investments in the Fund/Sub-Funds that are in economic activities that contribute to an environmental objective and may be eligible to be assessed against the TSC, the Manager is not currently in a position to describe:

- (a) the extent to which the investments of the Fund/Sub-Funds are in economic activities that qualify as environmentally sustainable and are aligned with the Taxonomy Regulation;
- (b) the proportion, as a percentage of the Fund's/Sub-Funds' portfolios, of investments in environmentally sustainable economic activities which are aligned with the Taxonomy Regulation; or
- (c) the proportion, as a percentage of the Fund's/Sub-Funds' portfolios, of enabling and transitional activities (as described in the Taxonomy Regulation).

The Manager is keeping this situation under active review and where sufficient reliable, timely and verifiable data on the Fund's/Sub-Funds' investments become available, the Manager will provide the descriptions referred to above, in which case this Prospectus or the Relevant Supplement will be updated.

## Rights and duties of the unit holders

Each unit holder owns a notional share in the Fund that is equivalent to the holder's share of the total fund units issued. A unit holder does not have the right to demand the division or dissolution of the Fund. If the unit holder no longer fulfills the terms and conditions for being invested in a unit class, the Management Company can move the holdings to a unit class where the conditions are met. Storebrand Asset Management AS is not responsible for loss or inconvenience that unit holders or others suffer as a result of the move.

The unit holders have no liability with regard to the obligations of the mutual fund in excess of the deposits they have made. The operation of a mutual fund is conducted by a management company, which makes all arrangements concerning the fund. Amendments in the Articles of Association and merger of funds require 75% unitholders' approval and subsequent approval by regulatory authorities. Similar method is assumed by substantial changes to the fund's investment strategy. With the consent of the supervisory authorities, the management of the fund can be assigned to another management company or a decision can be made to wind up the fund. Notices shall be conveyed by letter or through the public media. Unitholders of the mutual funds managed by Storebrand Asset Management AS choose two of its board members. Elections occur on election meetings in accordance with rules laid down in Storebrand Asset Management AS funds' Articles of Association. Negotiable unit certificates are not issued. The register of unit holders is maintained by Storebrand Asset Management AS. The units are registered by name, and powers of attorney governing their disposal can be attached to them. The units are not subject to a lock-in period. Unitholders will be notified of changes in holdings, annual statements and realization statements, and other fund reporting through Storebrand's or Delphi's trading portal (via log in solution on [www.storebrand.no](http://www.storebrand.no) or [www.delphi.no](http://www.delphi.no)). Shareholders may, by agreement, receive annual statements and realization statements by mail.

## Publication of net asset value (NAV)

The price of a unit is announced by Oslo Stock Exchange and sent to a number of different media. The prices are published daily on a number of websites, including [www.storebrand.no](http://www.storebrand.no), [www.ose.no](http://www.ose.no) and [www.morningstar.no](http://www.morningstar.no), as well as to some extent also in some media houses' websites and newspapers. Further information about unit trading, placement of orders and pricing calendar (holiday calendar) can be found at [www.storebrand.no/en/asset-management](http://www.storebrand.no/en/asset-management).

## Valuation

The basis for calculating the value of a unit (NAV) shall be the market value of the securities portfolio plus the value of the fund's liquid assets/receivables, accrued income not yet due and the value of any deficit to be brought forward, minus liabilities and accrued expenses not yet due, including contingent tax liabilities. Delphi Global, Delphi Europe and Delphi Nordic are valued at current market prices at 16:00 Norwegian time. The calculations for all other funds is normally based on the first closing price of the underlying stock exchange for the respective fund's cut-off time. In the absence of any useful market rates, the management company shall make its valuation based on the most recently negotiated prices and/or the market's interest rate level for corresponding securities.

To prevent existing unit holders from dilution as a result of subscriptions and redemptions made by other unit holders in the fund, swing pricing can be used. This means that the NAV is adjusted by a swing factor on days when the fund has a net subscription or redemption that exceeds a predetermined share of the fund's total assets (threshold value). A net subscription above the set threshold value means that the NAV is adjusted upwards, and vice versa upon net redemption. The adjusted NAV will therefore intend to cover costs resulting from portfolio adjustments. The size of the swing factor is calculated per fund and is based on estimates of expected direct and indirect costs as a result of trading. The management company's routine for swing pricing is carried out in accordance with the Norwegian Fund and Asset Management Association's standard on subscription and redemption, available at [www.vff.no](http://www.vff.no).

## Subscriptions and redemptions

Units can be subscribed for and redeemed through Storebrand Asset Management AS or through the management company's selected distributors. Units are subscribed for and redeemed on a forward unknown price basis. The cut-off time for unit trades is initially 15:00 CET every business day, but the management company can set a different cut-off time in connection with public holidays. Information about changed cut-off time will be announced on the management company's website ([www.storebrand.no/saminfo](http://www.storebrand.no/saminfo)). For a trade to be processed on the same day, it must be in the hands of the management company before in the cut-off time. Redemptions will then be executed in such a way that unit holders receive a price based on the subsequent valuation. Subscriptions will be executed as soon as the management company has received the calculated value of the funds that the unit holders deposit. Regarding subscriptions and redemptions, the management company makes reservations concerning delayed processing of the unit trades as a result of technical or other

factors. Subscription and redemption orders can be sent to Storebrand Asset Management AS, mutual fund administration, P.O. Box 484, 1327 Lysaker. Alternatively, orders can be scanned and sent electronically to [fondskunde@storebrand.no](mailto:fondskunde@storebrand.no).

If interests of the unit holders or general public interests require action, the management company may apply the Norwegian Financial Supervisory Authority (Finanstilsynet) for permission to postpone the fund value calculation and redemption claims from the unit holders partly or in total. Accordingly, Finanstilsynet may instruct the management company to suspend the right of redemption partly or in total, if they find it appropriate in order to protect the interest of the unit holders or the general public.

## Savings agreement

A savings agreement can be set up with regular subscriptions to the mutual fund. The number of subscribed units is calculated at the subscription rate determined on the day the money is value-dated to the fund's bank account. Unitholders are encouraged to additional monitoring of their savings agreement subsequent to changes, and if necessary contact the management company. This is to ensure that fund, savings amount, payment date and other issues around the savings agreement are correct at any time.

## Fees and expenses

All fees and expenses associated with the management of the fund, with the exception of transaction based expenses and expenses related to the sale and redemption of units, are included in the management commission. Transaction-based expenses are brokerage fees as well as bank charges and deposit fees that are incurred in the execution of transactions for the trust. Fees and commission for the depositary are agreed separately each year. Commission is incurred daily according to account. The management company is under the obligation to cover other direct expenses for the fund with the exception of tax liabilities and other extraordinary costs which may occur if necessary to protect the interest of the unit holders. If deemed to be in the interest of the unit holders, the management company will, on behalf of the fund, claim refund of withholding tax and pursue legal claims (including class actions). In this regard, the fund can be charged costs directly, or indirectly by reducing the payment (gain) for the fund. If a unit holder acts in a way that may have negative consequences for the other unit holders of the fund (e.g frequent trading), Storebrand Asset Management AS reserve the right to charge the unit holder with subscription and/or redemption fees as specified in the fund's Articles of Association in order to cover additional transaction costs incurred.

## Remuneration from or to others than the mutual fund

Storebrand Asset Management AS will be able to enter into individual income sharing agreements with internal or external customers with significant holdings in the management company's mutual funds, provided that such an agreement benefits all unit holders. Agreements on income sharing will be based on objective criteria that ensure equal treatment of unit holders in the fund and will be entered into in accordance with the provisions set out in the securities fund regulations § 2-32.

The income sharing agreement is linked to the disposition of the management company's income and has no effect on the relationship between the respective mutual fund and the customer, who pays the same management fee as other unit holders in the fund. Customers who have an income sharing agreement with the management company will be reimbursed a proportion of the management fee after the costs associated with the management of the fund have been covered. The portion that is repaid to the customer reduces the management company's profit.

Further information can be obtained by contacting Storebrand Asset Management AS, Fondsadministrasjon, PO Box 484, 1327 Lysaker, alternatively via email to [fondskunde@storebrand.no](mailto:fondskunde@storebrand.no).

## Techniques for achieving efficient portfolio management

The mutual fund has an opportunity to lend out the fund's securities in accordance with section 6-8 of the Securities Regulations with the aim of achieving incomes for the fund. The scope of the lending will vary, but must be limited to a maximum of 20 per cent of the fund's assets, and only shares may be lent out. It is assumed that the fund's financial risk will not be significantly affected by the lending operations. The fund's securities may only be lent out to credit institutions, insurance companies, investment companies or clearing houses, and borrowers must provide the fund with security. The fund uses J.P. Morgan Bank Luxembourg S.A. as broker of securities loans. The broker will receive a fee for this brokerage activity. All net incomes resulting from the loans will accrue to the fund. Neither the management company nor other companies in the Storebrand Group receive any payment from the fund for administering or executing loans apart from the funds' normal management fees. The loans are provided on market terms. The lending activity is not regarded as entailing any increased risk of a conflict of interest.

## Depository for the mutual fund

Company:	J. P. Morgan SE - Oslo Branch
Address:	Tordenskjoldsgate 6, PO Box 1219 Vika, 0110 Oslo, Norway
Address Head Office:	Taunustor 1, 60310 Frankfurt am Main, Germany
Legal form:	limited liability company
Enterprise no.:	921 560 427
Principal business activity:	banking

## Marketing and distribution

The information in this prospectus is intended solely for investors domiciled in the countries where the mutual funds are registered for sales and marketing. The mutual funds may not be marketed in countries other than the countries where the fund has marketing approval. Units of the Fund shall not be distributed or sold in the United States or to any natural or legal person falling within the definition of "US Person" under Regulation S of the US Securities Act of 1933. This includes, inter alia, any natural person resident in the United States and any company, partnership or other entity that is organized or incorporated under U.S. law.

## Tax regulations

### **Tax rules for the securities fund**

The mutual fund is a separate taxpayer that is on the whole subject to normal corporation tax and has some of its share revenues taxed according to the Tax Exemption Method. The fund is exempt from paying tax on share gains and is not granted any tax allowance for share losses. Three per cent of the dividend earned in the EEA is taxable while dividend earned outside the EEA is taxable in its entirety. Other incomes are mainly taxable at a prevailing tax rate that is equivalent to the rate for ordinary income and a tax allowance is granted for losses. A fund whose portfolio consisted of less than 20 per cent shares at the beginning of the year is granted a tax deduction for all the return it has distributed. Funds that consist of 20-80 per cent shares may deduct a proportionate share of the return they have distributed, while funds that consist of 80 per cent shares are not granted any tax allowance for amounts they have distributed. The fund is exempt from wealth tax.

### **Tax rules for personal unit holders with tax liability in Norway**

Personal unit holders in a mutual fund are taxed at the tax rate for ordinary income and granted a tax allowance for losses. Share incomes are taxed in accordance with the Shareholder Model, which means that some of the fund's share incomes are protected from tax (threshold interest rate). The use of the threshold interest rate requires the units to be redeemed at a gain and the full use of the threshold interest rate requires the total gain during the ownership period to exceed the total threshold interest rate during the ownership period. Any unused threshold interest rate for some units may not be transferred to other units. Before taxation, the tax basis is to be increased by an adjustment factor so that the effective tax rate for share incomes is higher than the rate for ordinary income. Transfers between funds are regarded as a sale.

Unit holders that own equity fund units through a share savings account (ASK) are taxed according to the separate rules applicable to such accounts. Further information on the taxation of share savings accounts may be obtained from the Norwegian Tax Administration (skatteetaten) and/or at storebrand.no.

Investments in mutual funds through an insurance solution (unit linked) are taxed according to separate tax rules. Further information on such taxation may be obtained from the Norwegian Tax Administration (skatteetaten) and/or the relevant product supplier.

### **Tax rules for companies with tax liability in Norway**

Unit holders that are legal person are treated as company shareholders and taxed according to the exemption model. Companies refers to limited liability companies and companies that are equivalent to limited liability companies. In addition, associations, foundations, municipalities, county municipalities, inter municipal companies and certain estates in bankruptcy or administration are covered by the exemption model.

### **Tax rules for unit holders with tax liability abroad**

Foreign unit holders are liable to withholding tax in Norway at the rate resulting from the tax agreement. The individual tax agreement may contain exemptions for withholding tax if the proportion of units owned by the unit holder in the trust comprise a specified percentage.

### **Tax rules - change**

If the tax rules are changed in Norway or in the unit holder's home country, and new tax agreements are entered into, the rules above can be changed. The fund must at all times comply with current regulations.

### **Reporting of tax information**

Mutual funds and management companies are required to report financial information about unit holders and beneficial owners to the Norwegian tax authorities. If these are tax resident or domiciled in states other than Norway, the tax authorities will pass on the information to the respective states in accordance with the rules in the FATCA (Foreign Account Tax Compliance Act), CRS (Common Reporting Standard) and bilateral tax agreements. Unitholders receive a copy of what is reported via realization statements and holding statements at year-end.

### **Risk**

Historical returns are no guarantee of future returns. Future returns will i.a. depend on market developments, the portfolio manager's skills, the fund's risk, as well as the costs of subscription, management and redemption. The return can be negative as a result of price losses. The fund's return can vary within a year. The individual unit holder's loss or gain will therefore depend on the exact times of purchase and sale of the units. For updated information related to the fund's historical return and risk, please refer to information about the fund on the management company's website, [www.storebrand.no/en/asset-management](http://www.storebrand.no/en/asset-management). Information on returns and risk is also available through official information providers such as the Oslo Stock Exchange, Morningstar, Finansportalen and Fondsdata at the Norwegian Fund and Asset Management Association.

### **Complaints**

The Complaints Board for Consumers in Banking and Finance Matters ([www.finansklagenemda.no](http://www.finansklagenemda.no)) handles complaints related to mutual funds. The Board is an independent, publicly financed body with a permanent secretariat consisting of legal professionals. If a complaint is to be processed by the Complaints Board, the issue must have been discussed with the management company, without reaching an agreement. Initially, the Complaints Board will motivate the management company and the unit holder to find a solution. If the dispute cannot be resolved, the case will be submitted for a formal consideration by the Board. Complaints to the Board shall be made in writing; cases are handled free of charge.

### **Articles of Association**

The mutual fund is an independent legal entity with separate articles of association regulating the operation of the fund. The Articles of Association are drawn up in line with the standards of the Financial Supervisory Authority of Norway (Finanstilsynet) and approved by the Financial Supervisory Authority of Norway. The fund's Articles of Association is enclosed to the prospectus, but can otherwise be obtained upon request to the fund management company, its distributors or from the company's website at [www.storebrand.no](http://www.storebrand.no).

### **Accounts**

The accounts are concluded as at 31 December each year. The annual and semi annual reports are available upon request to the management company, or at [www.storebrand.no](http://www.storebrand.no). Unitholders may request that the documents be sent free of charge.

## **Securities funds managed by Storebrand Asset Management AS**

### **Active funds**

Delphi Europe, Delphi Nordic, Delphi Norge, Delphi Global, Delphi Global Valutasikret, Delphi Green Trends, Delphi Kombinasjon, Storebrand Aksje Innland, Storebrand Equal Opportunities, Storebrand Fremtid 10, Storebrand Fremtid 30, Storebrand Fremtid 50, Storebrand Fremtid 80, Storebrand Fremtid 100, Storebrand Global Solutions, Storebrand Global Solutions Valutasikret, Storebrand Norge, Storebrand Norge I, Storebrand Norge Fossilfri, Storebrand Renewable Energy, Storebrand Smart Cities, Storebrand Vekst, Storebrand Verdi

### **Factor funds**

Storebrand Global Multifactor, Storebrand Global Multifaktor Valutasikret, Storebrand Global Value

### **Index aware funds**

Storebrand Global ESG, Storebrand Global ESG Plus, Storebrand Global ESG Plus Valutasikret, Storebrand Global Indeks, Storebrand Global Indeks Valutasikret, Storebrand Indeks – Alle Markeder, Storebrand Indeks – Norge, Storebrand Indeks – Norden, Storebrand Indeks – Nye Markeder

### **Fixed income funds**

FO Norsk Likviditet, SEB NOK Liquidity Fund, Storebrand Global Kreditt IG, Storebrand Global Obligasjon, Storebrand Global Obligasjon 1-3, Storebrand Korte Renter SII, Storebrand Likviditet, Storebrand Nordic High Yield, Storebrand Norsk Kreditt IG, Storebrand Norsk Kreditt IG 20, Storebrand Kort Kreditt IG, Storebrand Kreditt, Storebrand Stat.



## Further information about index aware funds:

Fund Name	Benchmark and Sources for Benchmark Constituents	Relative volatility under normal market conditions
Storebrand Global ESG	MSCI World Net Total Return <a href="http://www.msci.com">www.msci.com</a>	0-2 %
Storebrand Global ESG Plus	MSCI World Net Total Return <a href="http://www.msci.com">www.msci.com</a>	0-2 %
Storebrand Global ESG Plus Valutasikret	MSCI World Net Total Return (Hedged to NOK) <a href="http://www.msci.com">www.msci.com</a>	0-2 %
Storebrand Global Indeks	MSCI World Net Total Return <a href="http://www.msci.com">www.msci.com</a>	0-1,5 %
Storebrand Global Indeks Valutasikret	MSCI World Net Total Return (Hedged to NOK) <a href="http://www.msci.com">www.msci.com</a>	0-1,5 %
Storebrand Indeks – Alle Markeder	MSCI Global All Countries Net Total Return <a href="http://www.msci.com">www.msci.com</a>	0-1,5 %
Storebrand Indeks – Norge	Oslo Børs Hovedindeks (OSEBX) <a href="http://www.oslobors.no/Oslo-Boers/Produkter-og-tjenester/Markedsdata/Indekser/Aksjeindekser/(tab)/1">http://www.oslobors.no/Oslo-Boers/Produkter-og-tjenester/Markedsdata/Indekser/Aksjeindekser/(tab)/1</a>	0-1 %
Storebrand Indeks – Norden	VINX Benchmark Cap Net <a href="https://www.nasdaq.com/solutions/vinx-equity-indexes">https://www.nasdaq.com/solutions/vinx-equity-indexes</a>	0-1.5 %
Storebrand Indeks – Nye Markeder	MSCI Emerging Markets Net Total Return <a href="http://www.msci.com">www.msci.com</a>	0-2,5 %

Index aware funds from Storebrand Asset Management AS are expected to have a low expected tracking error under normal market conditions. The intervals given in the table above must not be considered absolute, and may be exceeded for shorter or longer periods. There are several possible sources of expected tracking error, for example, but not limited to a) the nature of the product with handling of subscriptions and redemptions, as well as, cash holdings b) properties of the product such as exclusions as a result of the Storebrand standard or other sustainability criteria, internal limitations in investment universe, or as a result of currency hedging and the selection of hedged currencies, or c) other matters related to investments such as tax, reinvestment of dividends, investments with lower liquidity or that the methodology for currency hedging of the fund differs compared with the benchmark index.

The management process applies a risk model which describes the correlation between the shares' time series, as well as an optimization algorithm aiming at keeping the expected tracking error as low as possible. All the index aware funds are invested directly in equities, except Storebrand Global ESG Plus Valutasikret and Storebrand Global Indeks Valutasikret, which invest in Storebrand Global ESG Plus and Storebrand Global Indeks, respectively (master feeders). Storebrand Indeks - Norge shall at all times comply with the placement limit for index funds pursuant to the Securities Funds Act section 6-8, which means that investments in shares issued by the same issuer may amount to up to 20 per cent of the Fund's assets. However, the 20 percent limit can be increased to 35 percent for a single issuer when necessary for special market conditions, such as the Norwegian market, which is relatively small with some large companies that have high weight in the index.

## Information About the Management Company

Company name: Storebrand Asset Management AS

Business office: Professor Kohts vei 9, 1366 Lysaker

Organization number: 930.208.868

Date of establishment: 1 July 1981

Subscribed and paid-in share capital: NOK 1,800,000.

Owner: Storebrand Asset Management AS is fully owned by Storebrand ASA

Storebrand Asset Management AS has had a license to conduct mutual fund management since the company was founded on 1 July 1981. The company was granted a license to manage alternative investment funds on 16 October 2015. The company has introduced a requirement for additional equity to cover potential claims in connection with activities related to national funds covered by the law on alternative investment funds.

## The Board

### Shareholder-elected representatives:

Odd Arild Grefstad (Chairman)

Lars Aa. Løddesøl

Jenny Rundbladh (deputy)

Lars-Erik Eriksen (deputy)

### Unitholder-elected representatives:

Sverre Dale Moen

Brita Cathrine Knutson

Sondre Gullord Graff (deputy)

### Employee-elected representatives:

Hilde Marit Lodvir Hengebøl

Karsten Solberg

The management company's board shall consist of at least six members and at least two deputies. One third of the board members are elected by unit holders in the mutual funds managed by Storebrand Asset Management AS. At least two board members are elected by the management company's general meeting. For both groups of board members, elected by unit holders and the general meeting, respectively, at least half as many deputies are elected. Deputies shall have the right to attend, but not the right to vote when the board is otherwise full. Two of the board members are elected by and from among the employees.

The management company appoints a nomination committee, which nominates unitholder elected representatives to the board before the election meeting. The unitholder elected board members and deputies are elected at the election meeting on the recommendation of the nomination committee. The election meeting is convened by public announcement with at least 2 weeks notice. The election meeting is held every year by the end of June.

In 2022, the members of the board received a total of NOK 694,000 in remuneration for the position. Board remuneration are not paid to shareholder-elected board members employed by the Storebrand Group.

## Chief Executive Officer

Jan Erik Saugestad, Storebrand Asset Management AS, Professor Kohts vei 9, N-1366 Lysaker

Compensation to CEO amounted to NOK 7,201,000 in 2022.

## Remuneration scheme

The remuneration scheme in Storebrand Asset Management AS consists of fixed salary and variable remuneration. Fixed salary is determined on the basis of a market-based assessment, and the variable remuneration is based on a comprehensive assessment of the team's and individual employee's results, including achieved relative returns where relevant. A more detailed description of the scheme is available at [www.storebrand.no/saminfo](http://www.storebrand.no/saminfo). Paper copy is sent free of charge on request.

## Auditors

PwC Norway, state certified auditors, Dronning Eufemias gate 8, 0191 Oslo, is the auditor for the management company and for the accounts of the mutual funds.

Ernst & Young AS, state certified auditors, Dronning Eufemias gate 6, 0191 Oslo, is the internal auditor for the management company and for the accounts of the mutual funds.

## Outsourcing of functions and other information

The management company has not entered into any consultancy agreements outside of the Storebrand group that will affect operations to a significant degree.

Storebrand Asset Management AS has outsourced certain tasks to Storebrand's strategic partner Cognizant. This outsourcing includes a selection of operational tasks, and Cognizant delivers these outsourced tasks from its office in Vilnius, Lithuania.

Intra-group agreements have also been entered into for outsourcing of IT, finance, marketing functions, etc. with other companies in the Storebrand Group.

Companies in the Storebrand Group may subscribe and redeem units free of cost in mutual funds managed by a management company in the same group as Storebrand Asset Management AS.

The prospectus has been prepared in accordance with Regulation 21 December 2011, no. 1467 to the Securities Fund Act § 8-2 and Commission Regulation (EU) No. 583/2010), cf. Regulations to the Securities Fund Act § 13-7.

The Board of Storebrand Asset Management AS is responsible for this prospectus meeting the requirements of the Regulations to the Securities Fund Act. The Board gives its statement that the information in the Prospectus as far as they are aware, in accordance with the facts and that there are no omissions which are of such a nature that they can change the meaning of the prospectus.

The Prospectus was approved by the Board on 7 June 2022

The Prospectus was last updated on 10 May 2023

# Articles of Association for Verdipapirfondet Delphi Nordic

## § 1 Name of the securities fund and of management company

The securities fund Delphi Nordic ("the Fund") is managed by Storebrand Asset Management AS. The Fund is authorized in Norway and is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet).

The Fund is regulated in accordance with the Norwegian Securities Funds Act no 44 of 25 November 2011 ("the Securities Funds Act").

## § 2 UCITS fund

The Fund is a UCITS fund which complies with the investment regulations in chapter 6 of the Norwegian Securities Funds Act, and the regulations on subscription and redemption in § 4-9 (1) and § 4-12 (1).

The fund has share classes with further details outlined in section 7 of the Articles.

## § 3 Rules for the investment of the securities fund's assets

### 3.1 Investment guidelines and risk profile

The Fund is an equity fund according to the definitions issued by the Norwegian Fund and Asset Management Association. The Fund mainly invests in shares issued by companies listed on Nordic stock exchanges. The fund's investment mandate is described in greater detail in the prospectus. The fund is characterized by a relatively large risk of fluctuations (volatility). The risk profile is specified in greater detail in the fund's Key Investor Information Document (KIID).

### 3.2 In general about the investment guidelines

The Fund's assets may be invested in the following financial instruments and/or as deposits with a credit institution:

transferable securities	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
securities fund/mutual fund units	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
money-market instruments	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
derivatives	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
deposits with a credit institution	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

The Fund may, independently of the investment alternatives in this clause, possess liquid assets.

Investments in other mutual funds equal a maximum of 10 percent of the fund's assets:

yes  no

The Fund's investments in mutual fund units must, together with the fund's other investments, be in accordance with these rules.

The mutual funds invested in may themselves invest a maximum of 10 percent of their assets in mutual fund units:

yes  no

Investments in mutual funds which are not UCITS meet the conditions stated in section 6-2 (2) of the Securities Funds Act and do not in aggregate constitute more than 10 percent of the fund's assets:

yes  no

The Fund's assets are invested in money market instruments which are normally traded in the money market, are liquid, and have a value which can be accurately determined at any time:

yes  no

The Fund may use the following derivative instruments: options, futures/forward contracts and swap contracts. The assets underlying the derivatives will be transferable shares, indices based on transferable shares, foreign currency or exchange rates.

The expected risk and expected return on the Fund's underlying securities portfolio are not affected by the investments in derivatives.

### 3.3 Liquidity requirements

The Fund's assets may be invested in financial instruments which:

1. are admitted to official quotation or are traded on a regulated market in an EEA state, including a Norwegian regulated market, as defined in Directive 2014/65/EU Art. 4 (1) point 21 and the Securities Trading Act section 2-7 (4).

yes  no

2. are traded on another regulated market in an EEA state which functions regularly and is open to the public.

yes  no

3. are admitted to official quotation on a stock exchange in a country outside the EEA or are traded in such a country on another regulated market which functions regularly and is open to the public.

yes  no

All stock exchanges or regulated markets in the world are relevant. Investments are made in developed markets and emerging markets.

4. are recently issued provided a condition for issue is that admission to trading will be applied for on a stock exchange or market as described in nos. 1 to 3 above. Admission to trading must take place no later than one year after the expiry of the subscription deadline.

yes  no

The fund's assets may be invested in money market instruments traded on a market other than those stated in nos. 1-3 above if the issue or the issuer of the instruments is regulated for the purpose of protecting investors and savings and the instruments are covered by section 6-5 (2) of the Securities Funds Act.

The Fund's assets may be invested in derivatives traded on a market other than those stated in nos. 1 to 4 above.

Up to 10 percent of the Fund's assets may be invested in financial instruments other than those mentioned in this clause.

### 3.4 Investment restrictions – on the fund's assets

The Fund's holdings of financial instruments shall have a composition that provides an appropriate diversification of the risk of loss.

The Fund's investments shall at all times comply with the investment limits stated in section 6-6 and section 6-7 (1,2 and 4) of the Securities Funds Act.

### 3.5 Investment restrictions – ownership interest with issuer

The Fund's investments shall at all times comply with the investment limits stated in section 6-9 of the Securities Funds Act.

### **3.6 Techniques for efficient portfolio management**

The Fund may, in accordance with the Securities Fund Act Section section 6-11 and the Securities Fund Regulations section 6-8 use techniques to achieve effective portfolio management. The techniques are specified in greater detail in the Fund's prospectus.

### **§ 4 Capital gains and dividends**

Capital gains shall be reinvested in the Fund. Dividends are not distributed to the unit holders.

The board of directors of the management company may determine that proceeds from financial instruments and such, may be distributed to the unit holders. The board of directors of the management company may determine that share dividends, interest income and/or other income shall be distributed to the unit holders.

### **§ 5 Costs**

Management fees are the management company's remuneration for the management of the Fund.

The basis for calculating management fees is the day-to-day value of the Fund. When calculating the Fund's net asset value (total net assets), the basis shall be the market value of the portfolio of financial instruments and deposits in banks and credit institutions, the value of the Fund's liquid assets and other receivables, the value of earned non-due revenues and the value of any loss carry forwards deducted for debt and accrued non-due costs including latent tax liabilities.

In addition to the management fee, the following costs may also be covered by the Fund:

1. Transaction costs related to Fund investments;
2. Payment of taxes imposed on the Fund;
3. Interest on borrowings as specified in Section 6-10 of the Securities Funds Act; and
4. Any extraordinary costs necessary to protect the interests of unit holders, cf. Section 4-6 (2) of the Securities Funds Act.

The management company may debit a fixed management fee to the Fund. The fixed management fee is to be calculated daily and debited monthly.

The management fee is to be divided equally among each unit in the Fund. The size of the management fee is stated in section 7 of the Articles.

All fees received from any sub-funds shall be credited the Fund.

### **§ 6 Subscription and redemption of fund units**

The Fund is normally open for subscriptions and redemptions on every Norwegian business day.

Subscriptions may be charged with a subscription fee of up to 0.2 percent of the subscription amount.

Redemptions may be charged with a redemption fee of up to 0.2 percent of the redemption amount.

No subscription or redemption fees are incurred if the Fund invests in funds managed by a management company in the same group as Storebrand Asset Management AS.

The Board of Directors of Storebrand Asset Management AS can decide that the subscription cost will increase up to 10 percent of the subscription amount. The difference between 0.2 percent and adopted increased subscription cost of up to 10 percent shall accrue to the fund. The Board may fix an increased subscription cost for a certain period of time, with the possibility of extension, or shortening, based on a Board decision.

The management company can use swing pricing. Reference is made to the prospectus for further description.

## § 7 Share classes

The Fund's assets are divided into the following share classes:

Share class	Currency	Annual Management Fee
Share class A	NOK	Maximum 2 %
Share class B	NOK	Maximum 1 %
Share class C	NOK	Maximum 0.6 %
Share class N	NOK	Maximum 1 %
Share class A2	SEK	Maximum 2 %
Share class N2	SEK	Maximum 1 %
Share class A3	EUR	Maximum 2 %
Share class N3	EUR	Maximum 1 %
Share class A4	USD	Maximum 2 %

What characterizes the different share classes is:

### Share class A

The share class is open to investors who have units in the fund at a cost of at least NOK 100. The management company may charge the share class with a fixed management fee. The fixed management fee is 2 per cent per annum. The fixed management fee is calculated daily and charged monthly. The fixed management fee includes the fixed management fee charged in any sub-funds in which the fund invests.

### Share class B

The share class is open to investors who have units in the fund at a cost of at least NOK 10.000.000. The management company may charge the share class with a fixed management fee. The fixed management fee is 1 per cent per annum. The fixed management fee is calculated daily and charged monthly. The fixed management fee includes the fixed management fee charged in any sub-funds in which the fund invests.

### Share class C

The share class is open to investors who have units in the fund at a cost of at least NOK 100.000.000. The management company may charge the share class with a fixed management fee. The fixed management fee is 0.6 per cent per annum. The fixed management fee is calculated daily and charged monthly. The fixed management fee includes the fixed management fee charged in any sub-funds in which the fund invests.

### Share class N

The share class is open to investors who subscribe for NOK through distributors who, by agreement with the management company, do not receive remuneration from the management company. The management company may charge the share class with a fixed management fee. The fixed management fee is 1 per cent per annum. The fixed management fee is calculated daily and charged monthly. The fixed management fee includes the fixed management fee charged in any sub-funds in which the fund invests.

### Share class A2

The share class is open to investors who have units in the fund at a cost of at least SEK 100. The management company may charge the share class with a fixed management fee. The fixed management fee is 2 per cent per annum. The fixed management fee is calculated daily and charged monthly. The fixed management fee includes the fixed management fee charged in any sub-funds in which the fund invests.

#### Share class N2

The share class is open to investors who subscribe for SEK through distributors who, by agreement with the management company, do not receive remuneration from the management company. The management company may charge the share class with a fixed management fee. The fixed management fee is 1 per cent per annum. The fixed management fee is calculated daily and charged monthly. The fixed management fee includes the fixed management fee charged in any sub-funds in which the fund invests.

#### Share class A3

The share class is open to investors who have units in the fund at a cost of at least EUR 100. The management company may charge the share class with a fixed management fee. The fixed management fee is 2 per cent per annum. The fixed management fee is calculated daily and charged monthly. The fixed management fee includes the fixed management fee charged in any sub-funds in which the fund invests.

#### Share class N3

The share class is open to investors who subscribe for EUR through distributors who, by agreement with the management company, do not receive remuneration from the management company. The management company may charge the share class with a fixed management fee. The fixed management fee is 1 per cent per annum. The fixed management fee is calculated daily and charged monthly. The fixed management fee includes the fixed management fee charged in any sub-funds in which the fund invests.

#### Share class A4

The share class is open to investors who have units in the fund at a cost of at least USD 100. The management company may charge the share class with a fixed management fee. The fixed management fee is 2 per cent per annum. The fixed management fee is calculated daily and charged monthly. The fixed management fee includes the fixed management fee charged in any sub-funds in which the fund invests.

*The original Articles of Association and prospectus were prepared in Norwegian. This is a translated version, which is published with reservations regarding possible errors and omissions as well as erroneous translation. The original prospectus is available in Norwegian at [www.storebrand.no](http://www.storebrand.no).*



## Annex II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Delphi Nordic (the "Fund") Legal entity identifier: 5967007LIEEXZXB9OG48

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



Yes



No

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10 %** of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental characteristics by actively investing in companies that contribute to the mitigation of climate change and/or which may have other positive impacts on the environment or society and by excluding certain companies which have a negative impact on the environment and/or society.

The Fund also promotes social characteristics by excluding companies that may have a negative impact on society and that violate international norms (such as companies with business operations linked to banned weapons, nuclear weapons, tobacco, cannabis, as well as by excluding

companies that violate international norms and conventions related to human rights, labor law or combating corruption and bribery).

The above promoted characteristics involve integrating ESG (environmental, social and corporate governance) aspects into the Fund's investments. A part of the portfolio will consist of sustainable investments, which are investments characterized by a certain level of ESG score and/or investments considered to be solutions companies contributing to SDGs based on the products they produce or services they supply.

The Fund also applies a general product and norm based exclusion strategy, which include an assessment of whether the investee is negatively affecting certain environmental or social objectives (listed below).

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- PAI 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)
- Revenues from business activities related to the production and distribution of banned weapons, nuclear weapons, tobacco, cannabis.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund's environmentally sustainable investments may contribute to one or more of the environmental objectives of the Taxonomy Regulation (EU) 2020/852 (the "EU Taxonomy"), such as but not limited to climate change mitigation and climate change adaptation.

The sustainable investments may contribute to the objectives through better scores on the sustainability indicators used to measure the attainment of environmental or social characteristics.

The fund promotes sustainability-related properties by integrating product- and norm based exclusions to the investment process. Product-based exclusions cover such as tobacco, cannabis, coal, oil sands, unsustainable palm oil production and controversial weapons. Norm based exclusions include serious climate and environmental damage, lobbying against the Paris Agreement, corruption and violations of international law and human rights.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Fund can only invest in financial instruments that are part of its defined investment universe. The Management Company has a dedicated team (Risk & Ownership team) that monitors the financial instruments investable for the Fund. The team follows a methodology that is based on a screening process where the investments exposure and impact on several sustainability indicators are measured.

The result of this screening will give an indication of whether the investment is exposed to adverse impacts, based on the indicators that the Management Company measures. If any of

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

the investments are exposed to impacts considered to be significant, then the investment is considered to harm the Fund's environmental and/or social objectives and the financial instrument will be excluded from the Fund's investment universe.

All investments are subject to a screening process to assess whether the investee company is negatively affecting environmental or social objectives related to:

- human rights,
- labour law and international law,
- corruption and financial crime,
- serious climate and environmental damage,
- controversial weapons (land mines, cluster bombs and nuclear weapons),
- tobacco,
- cannabis,

— — — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Management Company takes into account the indicators for adverse impacts on sustainability factors in all of the Management Company's investment decisions on an ongoing basis. The Fund will only invest in companies that have gone through the Management Company's own sustainability analysis.

The DNSH-test consists of an exclusionary screening of companies which exceed set thresholds. The exclusionary screening consists of three components: 1) norm-based exclusion screening, 2) product-based exclusion screening and 3) sovereign bond screening.

Companies that are non-compliant with the below are not eligible as sustainable investments.

All of the underlying securities are assessed for adverse impacts as part of the DNSH-process in the following manner:

- 1) For several of the adverse impact indicators the set thresholds defines what is considered as significant harm to environmental or social objectives, based on the indicators measured by the Management Company. An investment that exceeds the defined thresholds is excluded from the Fund's investment universe.

For indicators without a defined threshold, the dedicated sustainability team is responsible to assess each entity on an individual basis, where data from an external data provider is used to assess whether an entity is involved with a breach or in risk of breaching one of these indicators. In this assessment conditions such as severity, scope of harm, and risk of recurrence is analyzed using a predefined scoring table to ensure consistency in the evaluation process. The final decision to exclude the investment from Fund's investment universe is however qualitative and based on the evaluation of the dedicated sustainability team and the assessment of the issue by the Management Company's Sustainable Investment Committee.

- 2) Adverse impacts indicators are accounted for, and for all of the underlying securities based on the data availability, coverage and quality which allows for setting measurable or quantifiable thresholds, or where there is sufficient information to make a qualitative assessment of adverse impacts. As the data quality and availability improves, the Management Company will be considering a range of methods to better account for these and mitigate adverse impact.

The Fund's screening and exclusion process described above covers several of the indicators for adverse impacts on sustainability factors. In the DNSH-process, The Fund currently considers the following indicators:

PAI 4 Exposure to companies active in the fossil fuel sector  
PAI 7 Activities negatively affecting biodiversity sensitive areas  
PAI 8 Emissions to water  
PAI 9 Hazardous waste  
PAI 10 Violations of UNGC principles and OECD guidelines  
PAI 14 Exposure to controversial weapons  
PAI 16 Sovereigns: Investee countries subject to social violations

In addition the Fund considers the following indicator from Table 2 of Annex 1:

PAI 15 Deforestation

The Fund's investment universe is monitored daily for potential breaches of Storebrand Sustainable Investment Policy and screened quarterly to assess if companies are in breach of this sustainability policy.

Storebrand Asset Management's Investment Control and Analytics (ICA) department is responsible for verifying that management complies with individual mandates as well as internal and external laws and regulations. As part of the daily compliance controls, all trades and positions are controlled for breaches on the Group Sustainability Policy, including the above-mentioned exclusion criteria's.

— — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Management Company aims to ensure that all investee companies follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and the ILO conventions. The process for this is to screen all investments in the Fund's investment universe by using data and research from an external data provider.

This screening is intended to assess and screen how companies adhere to these standards, and if in breach of them, how they respond to incidents and implement changes. The Fund will not invest in entities defined as non-compliant, based on this screening.

Once an entity has been defined as non-compliant, the entity is excluded from the Fund's investment universe, and the entity is no longer investable until the status has changed. This list of excluded entities are updated on a quarterly basis.

**Does this financial product consider principal adverse impacts on sustainability factors?**

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



X Yes, the Fund’s screening and exclusion process described above cover several of the principal adverse impacts (the “PAIs”) on sustainability factors.

The Investment Manager has been working to reduce adverse impact in its portfolios since the turn of the century and it has identified the following as main adverse sustainability impact categories that applies to all equity and debt portfolios:

Adverse impacts affecting the environment and climate such as: severe environmental damage; Green House Gas emissions; biodiversity loss and deforestation

Adverse impact affecting workers, communities, and society such as: violations of basic workers' rights; forced labor; gender/diversity discrimination or indigenous rights violations

Adverse impact in connection with gross corruption and money laundering

Adverse impact in connection with controversial weapons (landmines, cluster munitions and nuclear weapons)

Adverse impact in connection with tobacco products

The Management Company also identified some adverse impacts that it aims to avoid such as coal or oil sands and others, such as alcohol, gambling, and conventional weapons. These products are associated with significant risks and liabilities to society, the environment or health.

The Management Company’s methodology is to identify PAI laggards (red), PAI intermediate performers (yellow) and PAI leaders (green) so that risk can be avoided, and more capital can be allocated to more sustainable companies and solution companies.

RED: Those companies identified as PAI laggards will be further analyzed by the Risk and Active Ownership team and may result in exclusion depending on the risk and severity of the negative impact identified and the total cumulative negative impact identified across all PAI indicators.

YELLOW: PAI intermediate performers will also be further analyzed with the aim to mitigate adverse impact through engagement. Please see 3.3 Addressing of PAIs and Mitigation

GREEN: In addition, the analyzed PAI data will be further integrated in financial decisions with the aim to allocate more capital to PAI leaders, and thus lift the sustainability value of the Fund. Please see 3.3 Addressing PAIs and Mitigation.

Information on principal adverse impacts considered by the Fund will be available in the Company’s annual report.

No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### What investment strategy does this financial product follow?

In order to promote environmental and social characteristics, the following methods are central to the Fund's investment strategy:

- Inclusions of products and services
- Exclusions of product and services

- Engagement

The Fund's investments are assigned a sustainability score where the companies are ranked on the basis of several different sustainability indicators. Preferred companies typically have comprehensive systems for managing ESG risk. Choice of companies involves several steps, where the most important parameters are low carbon footprint, the company's focus on climate solutions; that is, companies that the Management Company believes contribute with solutions to the climate crisis, companies with a high sustainability score and companies with a high proportion of "green income".

The Fund does not invest in companies that are subject to the product based and norm based exclusion criteria. The exclusion process is systematic and comprehensive, and includes both internal and external data and assessments.

The Management Company uses its interest in entities to engage in sustainability-related issues. This sort of engagement can take the form of direct dialogue with the investee or the Management Company can act in collaboration with other investors. Also, the Management Company engages systematically through voting at shareholders' meetings.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

For the part of the portfolio allocated to sustainable investments, the Fund actively selects companies with a low carbon footprint, companies with a high sustainability rating and solution companies. For this part of the portfolio, the Fund emphasizes companies with a high share of green revenue, as well as companies that intend in the future to be in line with the Paris Agreement, in accordance with the Science Based Targets Initiative.

Also another binding element is the general product and norm based exclusion strategy, which include an assessment of whether the investee is negatively affecting certain environmental or social objectives.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not have a committed minimum rate to reduce the scope of investments, but sustainability requirements provide for the Fund's exclusion of potential investments. The exclusions strategy reduces the Fund's potential investment universe by about 15-20 percent but will vary over time.

- ***What is the policy to assess good governance practices of the investee companies?***

The Fund has implemented a norm-based exclusion screening process to assess whether investee companies follow good governance practises. The purpose of this screening is to exclude all companies that do not follow what the Management Company considers to be good governance practices from the Fund's investment universe.

The Fund has defined criteria for what is considered as good governance practices. In order to assess whether a company follow this criteria, the Fund uses several different governance indicators to assess whether any investee company follows what the Management Company has defined as good governance practices or not.

In the assessment specific indicators are considered on:

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- board and management quality and integrity,
- board structure,
- ownership and shareholder rights,
- remuneration packages,
- auditing and financial reporting,
- stakeholder governance.

The list is however not inclusive of all indicators that the Management Company uses to measure good governance practices, and a full list can be found on the Company’s website. The assessment process consists of two steps:

1) A data-driven analysis where the Management Company’s data providers provide a score which gives an indication on how the investee companies performs in relation to good governance practices, measured by the specific indicators. The Fund will not invest in any company assessed to be non-compliant with the principles of good governance.

2) Internal qualitative assessment where an internal team assesses the seriousness of the breach that either has or may take place. This assessment is based on a qualitative assessment where factors such as geography, sector and the individual incident are considered. The Fund will not exclude companies based on operations in specific countries but will assess the manner in which they run their business in the countries where they operate. The Management Company screens all its investments in a a norm-based exclusion assessment, which means it will not invest if the investee companies have contributed or are involved with violations of its criteria for good governance practices.



**Asset allocation** describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?**

The minimum portion of the Fund’s investments aligned with the environmental and social characteristics it promotes is 80%. This includes a minimum of 10% of sustainable investments. The remaining investments can include cash for liquidity management purposes and investments which are not aligned with the promoted characteristics but which have also gone through the sustainability analysis of the Management Company but do not have a specific environmental or social goal.

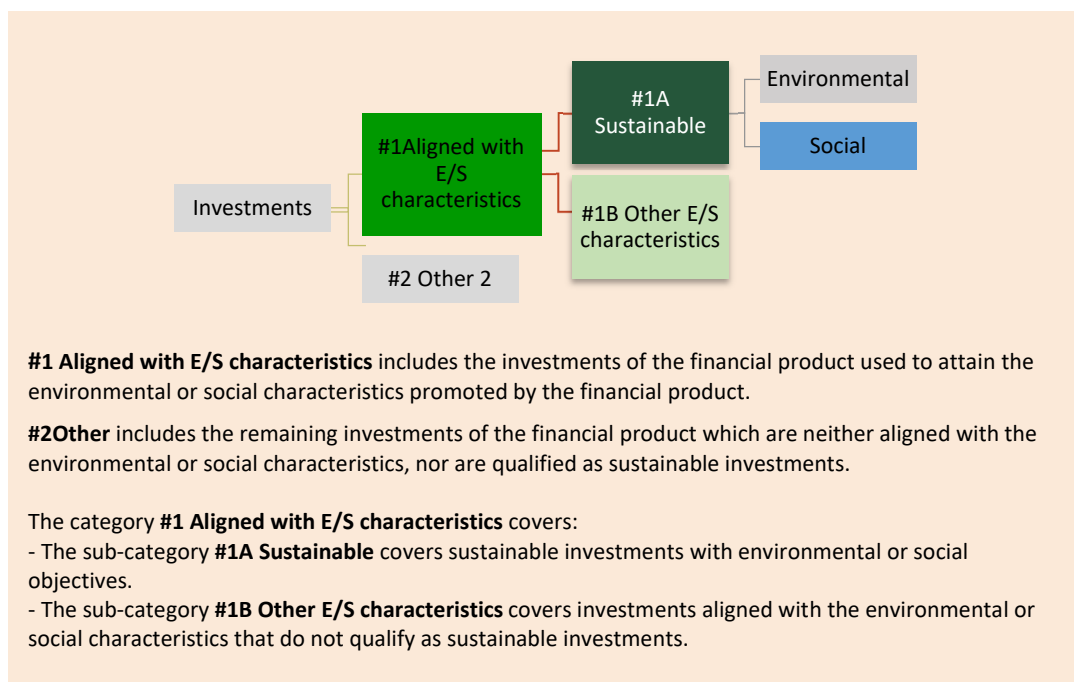
**How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

N/A

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.



**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

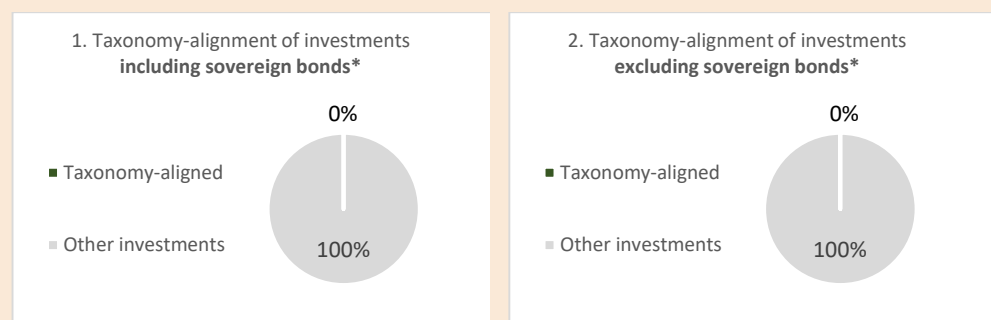




## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not commit to having a minimum share of taxonomy-aligned investments. The Taxonomy Regulation (EU) 2020/852 (the “EU Taxonomy”) is a classification system that aims to establish common criteria for environmentally sustainable activities. The Fund shall report the proportion of its investments that are consistent with the EU Taxonomy. The companies in which the Fund invests have not yet begun to report the extent to which their activities are consistent with the EU taxonomy. Accordingly, the Management Company believes that currently it is not possible to provide reliable information about the proportion of the Fund’s investments that are consistent with the EU Taxonomy and, in light of this, reports that 0% of the Fund’s investments are consistent with the EU taxonomy.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

### ● What is the minimum share of investments in transitional and enabling activities?

N/A.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund makes investments with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the Management Company the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 10%.



### What is the minimum share of socially sustainable investments?

The Fund makes investments with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.





process accommodates the combination of environmental and social objectives by allowing the Management Company the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 10%.

### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash for liquidity management purposes as “Other” investments. No minimum environmental or social safeguards are applied.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, for instance as a result of a merger or other corporate action. In such case, the Management Company will generally seek to dispose of these investments as soon as possible in the interests of Shareholders.

No minimum environmental or social safeguards are applied to “other” investments.



### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund does not use any reference benchmark to achieve the environmental or social objective.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***  
n/a
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***  
n/a
- ***How does the designated index differ from a relevant broad market index?***  
n/a
- ***Where can the methodology used for the calculation of the designated index be found?***  
n/a

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### **Where can I find more product specific information online?**

More product-specific information can be found on the website:

[www.storebrand.no/asset-management](http://www.storebrand.no/asset-management)